

**Canyon Fuel Company, LLC**  
**Dugout Canyon Mine**  
P.O. Box 1029  
Wellington, Utah 84542



March 15, 2007

**MAR 16 2007**

Ms. Pamela Grubaugh-Littig  
Utah Coal Regulatory Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

RE: 2006 Annual Report for Soldier Canyon Mine, C/007/018

Dear Ms. Pamela Grubaugh-Littig,

Enclosed please find two copies of the Annual Report for 2006 for the Soldier Canyon Mine.

Should you have any questions concerning this submittal, please contact me at (435) 636-2869.

Sincerely yours,

Vicky S. Miller

enclosures

cc: Chris Hansen (letter only)  
Dave Spillman (enclosures)  
Central Files (enclosures)

To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.

## GENERAL INFORMATION

Permitte Name	Canyon Fuel Company, LLC
Mine Name	Soldier Canyon Mine
Operator Name (If other then permittee)	
Permit Expiration Date	February 3, 2012
Permit Number	C/007/018
Authorized Representative Title	Erwin Sass
Phone Number	(435) 637-6360
Fax Number	(435) 636-2897
E-mail Address	esass@archcoal.com
Mailing Address	PO Box 1029, Wellington, UT 84542
Designated Representative	
Resident Agent	C.T. Corporation Systems
Resident Agent Mailing Address	50 West Broadway, Salt Lake City, UT 84104
Number of Binders Submitted	(1) One Binder, Two Copies

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-00077		N/A
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UT 0023680	UPDES Discharge Permit	March 31, 2006
PSD Permit(s) (Air)	DAQE-334-94	Air Quality Permit	N/A
<b>Other</b>			
Storm Water Permit	UTR000574	Storm Water Discharge Permit	December 1, 2006

**CERTIFIED REPORTS**

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On File	
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**REPORTING OF OTHER TECHNICAL DATA**

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Technical Data:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On file	
Climatological	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Subsidence Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vegetation Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Raptor Survey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
First quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Second quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Third quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Fourth quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Geological / Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Non Coal Waste / Abandoned Underground Equipment*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Reminder: If equipment has been abandoned during 2006, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

*Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.*

Legal / Financial Update	Required		Included or on File with DOGM		Comments
	Yes	No	Included	On file	
Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Other</b>					
Officers & Directors	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>	General Chapter 1
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

*Copies of mine maps, current and up-to-date through at least December 31, 2006, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. These map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Upon request, the Division shall keep mine maps confidential. Please provide a CD.*

[illegible]

**OTHER INFORMATION**

*Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.*

**Additional attachment to this report?****Yes** ☐**No** **X**

**APPENDIX A**

**Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS**

2006 CERTIFIED IMPOUNDMENT REPORTS

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/018	Report Date	12/15/06
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UT0023680	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	
<b>IMPOUNDMENT INSPECTION</b>			
Inspection Date	12/12/06		
Inspected By	Vicky Miller		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Routine Quarterly Inspection	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p><i>There were no signs of instability, structural weakness or other hazardous conditions observed at the sedimentation pond.</i></p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p><i>Sediment Storage Capacity (as designed) - 100% = 1.47 acre-feet @ an elevation of 6,649.5 feet</i>  <i>- 60% = 0.88 acre-feet @ an elevation of 6,647.5 feet</i></p> <p><i>The existing sediment level was approximately 30% of the storage capacity, the bottom of the pond was snow covered, therefore the sediment level and water level was not observed..</i></p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p><i>Principal Spillway Elevation - 6,654.5 feet</i>  <i>Emergency Spillway Elevation - 6,654.5 feet</i></p>		
<p><b>4. Field Information.</b> Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.</p> <p><i>To date, there has been no discharge from the pond. Embankments were inspected, no evidence of instability. Soldier Creek adjacent to the pond was covered with ice, but water was observed flowing below the ice at the time of inspection.</i></p>			

# IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Page 2 of 2

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

See comments under number 4.

## Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: Wesley S. Muller Date: 12/15/06

## CERTIFIED REPORT

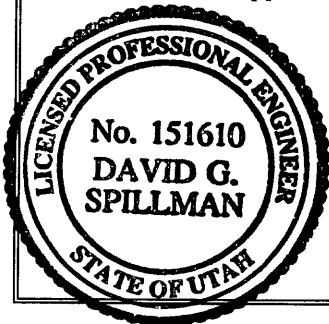
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

## COMMENTS AND OTHER INFORMATION

### Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]



By: David G. Spillman  
(Full Name and Title)

Signature: David G. Spillman Date: 1/20/07

P.E. Number & State: 151610 Utah



**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

**CONTENTS**

**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

REFER TO THE GENERAL CHAPTER ONE

**APPENDIX D**

**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

NO MINING IN 2006

**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

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